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SUBJECT: MIDDLE EAST AND A DEAL FOR A CEASE FIRE; AMBASSADOR WAYNE;  
US-URUGUAYAN FTA; THE US AND LATIN AMERICA; CUBA; TRI-BORDER; WTO  
DOHA ROUND; 08/07/06

## 1. SUMMARY STATEMENT

Weekend papers heavily cover the implications of the war in the Middle East and a US-French deal for a cease fire at the UN; a likely FTA between the US and Uruguay; current ties between the US and Latin America; the situation in Cuba; alleged support for terrorism at the Tri-border; and the aftermath of the WTO Doha Round.

Leading "Clarín" reports on the upcoming post-graduate international seminar on US politics, culture and social movements organized by the Fulbright Committee and held at San Andres University.

## 2. OPINION PIECES AND KEY STORIES

- "France and the US reach a deal at the UN for a cease fire"

Maria Laura Avignolo, on special assignment in Beirut for leading "Clarín," writes (07/06) "France and the US agreed on a UN Security Council's draft resolution calling for a full ceasefire between Israel and Hezbollah..."

"Hezbollah's disarmament remains the focus of the problem and it is not being tackled in this draft resolution but in another one. Lebanon is not willing to humiliate Hezbollah through its disarmament, as demanded by the US, because it could trigger civil war in the country."

"It is time for diplomacy to act but Lebanon warned that Israel may not get at the UN what it did not obtain in the field. This is why clashes and command operations will ferociously continue until there is a clear winner."

- "Calculations"

Telma Luzzani, international columnist of leading "Clarín," comments (08/06) "The drastic US change is amazing. Only last week, George W. Bush and Tony Blair disqualified the French proposal and excluded the term 'ceasefire' from their plan for the Middle East."

"What happened, then? The Qana massacre, which occurred while Condoleezza Rice was in Jerusalem, increased world criticism of Israel and troubled the US. However, some other facts are indicating that it is smarter to put an end to this war. So far, the Israeli army has not obtained any of its military objectives. On the contrary, Hezbollah is in a position of exhibiting some victories. First, it demonstrated that it can attack Israel. Secondly, it questioned the myth that Israel is invincible. Third, and possibly the most worrying fact for the West, it is increasing its leader sheik Nasrallah's power among Muslims... This is why peace is



required."

- UN - The US seeks to remove support from Chavez"

Business-financial "Ambito Financiero" reports (08/07) "The new US Ambassador to Argentina, Earl Anthony Wayne, will take over during the first days of November.

"This means that the current US diplomat, Michael Matera (former Ambassador Lino Gutierrez's number two until just five days ago), will have time until September to convince Nestor Kirchner not to support Venezuela's candidacy for a seat at the UN Security Council and to support Guatemala instead. This is a pretty pointless mission, since the Argentine Government, just like the rest of Mercosur, will vote for Hugo Chavez...

"Argentine Government officials have talked about some 're-launching' of the US-Argentine bilateral ties, which were somewhat impaired after the Mar del Plata Summit of the Americas.

"... According to the Argentine Government, the arrival of the new US diplomat is good news. The Foreign Ministry officials praise Wayne's professional profile and the fact that he is an expert in trade and economic negotiations, which is precisely what the Kirchner administration wants to reinforce.

"... Argentine Foreign Ministry negotiators presented Wayne as an expert in the most important global negotiations that Argentina has ahead with the big economic blocs - mainly, a potential reduction of farm subsidies... Wayne tackled this issue on two different occasions - as US Assistant Secretary for European and Canadian Affairs and as US representative at the EU in Brussels... The only antecedent about Wayne's opinion regarding Argentina's trade problem is some comment he made on the issue in 2003. During a visit to the country as an envoy of the Bush administration, he defended the signature of a deal between the IMF and Argentina. He guaranteed

that the US president would support a three-percent surplus on the GDP when the IMF was asking for more than 4 per cent, but, in return, Wayne insisted that the country should not abandon FTAA negotiations, which happened during the Mar del Plata SOA in November 2005.

"Argentina also expects Wayne to pressure on another issue in which he is an expert - the defense of US corporations' IPR."

- "A Uruguayan wink to the US"

Leading "Clarín" reports (08/06) "Uruguayan Economy Minister Danilo Astori is getting ready to start holding a round of bilateral negotiations with USG officials with the purpose of paving the way for a possible FTA.

"Astori pointed out that the purpose is to make progress on a 'broad FTA' and that during next week he will receive a group of USG officials to start negotiations.

"The possible signature of an FTA between the US and Uruguay will probably put an end to a conflict among Mercosur partners. Brazilian FM Celso Amorim warned last month that 'a country may not be within Mercosur and negotiate bilateral deals with other countries.'

"Beyond the irritation caused by the issue, Uruguayan President Tabare Vazquez asserted that the tension unleashed by an FTA will be solved in October."

- "Castro, Chavez and the hatred of the Empire"

Daily-of-record "La Nacion" carries an op-ed story by political columnist Mariano Grondona, who opines (08/06) "... If hatred of the new empire tends to prevail in our region today by extolling dictators Castro and Chavez, this blinding passion may not only be attributed to the US President's unilateralism. Latin America itself should also be blamed for it because of its renowned 'theory of dependence,' according to which we are worse off because the US is better off. However, we should acknowledge that we should be blamed for our lack of development.



"On the other hand, it is also true that a good number of Latin American countries follow neither Castro nor Chavez, but they silently hold an increasing number of successful trade associations with the new empire.

"Then, hatred of the new empire, which may be so harmful, comes from concurring blames. With Bush, the US shows the unpleasant face of imperial Jano. Latin America finds in this unpleasant face the best excuse for its own shortfalls. Both blames together pose an extraordinary danger. With Bush, Americans run the risk of losing the world. With Castro, Chavez and their sympathizers, Latin America runs the risk of losing democracy."

- "The US gets irritated with Mercosur due to its support for Chavez at the UN"

Ana Baron, Washington-based correspondent for leading "Clarín," comments (08/05) "The purpose of supporting Venezuela at the UN Security Council, which was officially announced by Argentina and its Mercosur partners in the Statement of the Cordoba Summit, unleashed concern and irritation not only in the Bush administration but also among Democratic leaders.

"Last week, Democratic representative Tom Lantos, Democratic leader at the House Foreign Relations Committee, sent a letter to President Nestor Kirchner and the other Mercosur leaders urging them not to support Venezuela's candidacy at the UN General Assembly. An unidentified legislative source told 'Clarín' that Lantos' letter wanted to make it quite clear that Chavez irritates both political parties in Washington.

"... Actually, Venezuela's entry into Mercosur is more irritating from a political viewpoint rather than from an economic one. The US believes that if Venezuela enters the UN Security Council for the 2007-08 period, it will hinder draft resolutions and statements proposed by US diplomacy, which call for consensus or unanimity to be approved.

"... The problem of the US is that it has now much less influence on Argentina and Brazil to be in a position to threaten to veto its financial support at the IMF. Its pressure cannot be accompanied by some sort of economic sanction. This is why the US Department of State does everything it can to maintain a cordial relationship with the Argentine Government in spite of the fact that it disapproves of its alliance with Chavez."

- "The US redoubles its pressure about Cuban elections"

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nación," comments (08/05) "The USG redoubled yesterday its pressure for Raul Castro and other figures of the regime to call free and democratic elections in Cuba, regardless of Fidel Castro's plans to sustain his regime on the island.

"... Far from the rumors launched by Havana on the alleged preparations for a military invasion, the US is in an awkward position regarding some news it has awaited for more than 40 years - the US does not know what is happening with Fidel Castro, and everyone, even George W. Bush, are starting their vacations or election campaigns.

"... The US' biggest challenge in its effort to influence Cuba's future is Hugo Chavez. According to Wayne Smyth, a former USG diplomat in Havana, who is now at the Center for International Politics in Washington, Hugo Chavez is interfering by giving aid to Cuba, and not only this, he is also forming an alliance with Cuba."

- "The US - businessmen against the embargo"

Ana Baron, Washington-based correspondent for leading "Clarín," writes (08/05) "The US business community has always been against the White House's embargo on Cuba and now more than ever. With the Cuban economy increasing by eight per cent (according to the CIA), and Raul Castro favoring the economy of the country just like China did, US businessmen do not want to lose the business that could be



created and are closely monitoring the situation.

"Tom Mouhsian, expert in Cuba at the powerful US Chamber of Commerce, told 'Clarín' 'We still do not know the direction Cuba will take, but we are obviously interested in the lifting of the embargo.'"

- "The US - fearful similarities between the Middle East and Cuba"

Leading "Clarín" carries an op-ed piece by international analyst Oscar Raul Cardoso, who opines (08/05) "One of the most acute international features nowadays is that every time the US decides to dive into a new international crisis..., then the entire world has to find a way to get rid of the trick.

"... To some extent, Lebanon has marked an additional paradox. Israel has never demonstrated its willingness to implement a special alliance with the US based on fears that this would lessen its autonomy. But now Olmert has taken the Israeli army to a position in which it no longer knows whether it is defending the nation or doing the dirty work of the 'Bush's revolution' in the region...

"The problem now is that Bush is recommending carrying out a new mission in Cuba and that he believes, as some other times, that this divine dictate annuls the enforcement of the international legislation protecting the island's sovereignty and makes insignificant the price of merging another country into the kind of chaos that Washington identifies these days as 'delivery pains.'"

- "The US again claims support for Hezbollah at the Tri-Border"

Ana Baron, Washington-based correspondent for leading "Clarín," comments (08/05) "In view of the military escalation in the Middle East, the US is implementing new measures to prevent Hezbollah and other terrorist groups from being funded from the Tri-Border.

"Daniel Glaser, US Treasury Assistant Secretary, 'We are fully convinced that this is the case.' 'We believe there is enough evidence.'

"Among the measures that have been implemented, the Homeland Security Department sent Argentina a team of experts to train a 'trade transparency unit.' This unit will gather and analyze information related to commercial transactions in search for irregularities that could hint money laundering operations. This will be carried out in spite of Argentine Interior Minister Anibal Fernandez's objections."

### 13. EDITORIALS

- "The future of Cuba"

Daily-of-record "La Nación" editorializes (08/07) "After having led a 47-year iron-handed dictatorship, Fidel Castro was made to delegate his power to his brother Raul... Some sectors envision the possibility that Castro will have to leave power forever in the not

too distant future.

"Those who fervently wish that Cuba will find a road or transition toward democracy admit that this possibility will not be an easy one...

"However, the difficulties ahead should not discourage the people of Cuba, both those residing on the island and those who are exiles, from undertaking the so-long expected democratic reconstruction."

- "Extremism and future in the Middle East"

Leading "Clarín" editorializes (08/05) "The analysis of the conflict in the Middle East should fully take into account the threat posed by Hezbollah not only to Israel and Lebanon but for the Arab countries...

"... Hezbollah and its foreign supporters have confirmed that they prioritize confrontation as a way to obtain power, or at least feeding the Muslims' extremist currents.



"This is why the strategy of Israel and the Western powers should be oriented not only to guaranteeing Israel's current security, but also to creating conditions to discourage the extension of fundamentalism...

"Even when acknowledging Israel's right to defend its territory, the extent and features of its offensive may contribute to generating support for extremism. Measuring the extent of this is crucial to attain long-term peace in the region."

- "Farm subsidies round"

Daily-of-record "La Nacion" editorializes (08/05) "... Whether WTO Director Pascal Lamy's decision to abandon WTO negotiations meant the freezing of WTO Doha Round or some revival could be expected, still remains to be seen...

"... The points of disagreement concerning Argentina are related to farm liberalization. In this field, we agree with the US regarding the reduction of market access tariffs. However, we disagree on the low reduction of farm subsidies."

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